

# **EXHIBIT “A”**

*In re: Peppertree Park Villages 9&10, LLC***Summary of Baker Tilly US, LLP fka Squar Milner LLP Administrative Claim for Peppertree Park Villages 9&10, LLC**

	Date	Invoice / docket #	Order docket #	Amount <sup>(1)</sup>	Notes
<b><i>Square Milner</i></b>					
SM First interim application fees and costs	12/20/18	dkt. 446	dkt. 472	\$ 11,545.42	BK consulting and 2017 returns
SM Second and final application fees and costs	11/14/19	dkt. 644	dkt. 669	<u>10,672.34</u>	BK consulting and 2018 returns
Total SM chapter 11 allowed fees and costs	11/14/19	dkt. 644	dkt. 669	22,217.76	
Payment received	03/19/20			(1,800.00)	Received combined payment for 4 cases; amount per left is amount allocated to 9&10.
Payment received	09/28/20			(10,000.00)	
SM post-confirmation invoice	10/19/20	SM Inv. 283809	N/A	<u>4,937.50</u>	2019 returns + 25% of consulting charges
Total SM balance				<u>15,355.26</u>	
<b><i>Baker Tilly</i></b>					
BT post-confirmation invoice	07/01/21	BT Inv. 1864899	N/A	<u>1,500.00</u>	2020 returns
<b>Total Baker Tilly fka Square Milner balance</b>					<b><u>\$ 16,855.26</u></b>

<b>Summary of outstanding balance</b>	
Chapter 11 pre-confirmation fees and costs	\$ 10,417.76
Post-confirmation fees and costs	<u>6,437.50</u>
	<b><u>\$ 16,855.26</u></b>

**Notes:**

Sources : Fee applications filed by Squar Milner LLP, orders entered by the United States Bankruptcy Court, internal billing records of Baker Tilly US, LLP.

<sup>(1)</sup> Amounts pertain only to services rendered to and payments applied to account of Peppertree Park Villages 9&10, LLC.

## **EXHIBIT “B”**



18500 Von Karman Ave, 10th Floor  
Irvine, CA 92612

Phone: (949) 222-2999

Fax: (949) 809-4937

Peppertree Park Villages &amp; Related Entities

Duane Scott Urquhart  
5256 S. Mission Road, Suite 905  
Bonsall, CA 92003

Attn:

Email:

Credit Card ( ) VISA ( ) MC ( ) AMEX ( ) Other \_\_\_\_\_

Invoice #: 283809  
Date: 10/19/2020  
Payment Due: Upon Receipt  
Client ID: URQUHARTBK

Acct # \_\_\_\_\_ Exp. Date \_\_\_\_\_ CSC # \_\_\_\_\_

Signature \_\_\_\_\_

(I agree to the above mentioned charges)

Amount Enclosed \$ \_\_\_\_\_

**Please return top portion with remittance.****Squar Milner LLP**

Peppertree Park Villages &amp; Related Entities

Invoice #: 283809

<u>Northern Capital, Inc.</u>	\$4,250.00
Preparation and filing via certified mail in triplicate of 2019 extension, tax returns and special attachments.	
<u>Peppertree Park Villages 9&amp;10, LLC</u>	\$4,500.00
Preparation and filing via certified mail in triplicate of 2019 extension, tax returns and special attachments.	
<u>Peppertree Land Company</u>	\$5,000.00
Preparation of filing via certified mail in triplicate of 2019 extension, tax returns and special attachments.	
<u>Peppertree Land Investors, LLC</u>	\$1,500.00
Preparation and filing via certified mail of 2019 tax returns and extension for initial year.	
Research and consultations by P. Dumas, C. Banzali and S. Chiang upon request re PPP, SBA and CARES Act.	\$1,750.00

<b>Peppertree 9&amp;10 2020 returns</b>	<b>\$4,500.00</b>
<b>Allocated 25% share of consulting</b>	<b>437.50</b>
<b>Total Peppertree 9&amp;10 - see Exhibit A</b>	<b><u>\$4,937.50</u></b>

\$17,000.00

Thank you for your business. If you have questions about this invoice, please call 949-222-2999 or email [billing@squarmilner.com](mailto:billing@squarmilner.com).  
To make a payment, please visit our website at [SquarMilner.com](http://SquarMilner.com)

# **EXHIBIT “C”**

Baker Tilly US, LLP  
3655 Nobel Drive Suite 300  
San Diego, CA 92122 • 858 597 4100



Peppertree Park Villages 9&10, LLC  
5256 S. Mission Road, Ste. 905  
Bonsall, CA 92003

**Invoice Date:** July 1, 2021  
**Invoice Number:** BT1864899  
**Client Number:** 212000

INVOICE	AMOUNT
<b>Fees</b> Preparation of 2020 LLC tax return	\$1,500.00
Fees Total:	\$1,500.00
Expenses Total:	\$0.00
<b>Invoice Total:</b>	<b>\$1,500.00</b>

**Fees** Preparation of 2020 LLC tax return	\$1,500.00
Fees Total:	\$1,500.00
Expenses Total:	\$0.00
**Invoice Total:**	**\$1,500.00**

For questions, comments or suggestions, please contact Kathy Schmidt at 858 597 4100.

**Balance is payable upon receipt or previously agreed upon terms.**

Finance charge 1.5% per month (annual rate 18%). Applied on unpaid balance after 30 days from original invoice date.

**To pay by Credit Card, Debit Card, or EFT using your Checking Account visit [www.bakertilly.com/payment](http://www.bakertilly.com/payment).**  
**There is 3.5% surcharge on all Credit Card payments. There is no fee for Debit Card or EFT Payments.**

Please ACH or wire payment to:	Or send payment to:	Reference:
US Bank, Milwaukee, WI Routing No: 075000022 Account No: 312220280 Reference #: BT1864899	Baker Tilly US, LLP PO Box 511563 Los Angeles, CA 90051-8118	Client Number: 212000 Invoice Number: BT1864899 Amount Enclosed: \$_____



May 19, 2021

Duane Urquhart  
5256 S. Mission Road, Ste. 905  
Bonsall, CA 92003

Baker Tilly US, LLP  
3655 Nobel Dr; Ste 300  
San Diego, CA 92122  
United States of America

T: +1 (858) 597 4100  
F: +1 (858) 597 4111

[bakertilly.com](http://bakertilly.com)

RE: Engagement letter for 2020 Individual and Business Tax Returns

Dear Duane:

Thank you for allowing Baker Tilly US, LLP (Baker Tilly, we, our) to serve as your tax accountants and advisors.

This engagement letter and the enclosed *Engagement Terms – Tax Services* set forth the understanding of the nature and scope of the services to be performed and the fees we will charge for these services. In addition, this letter delineates the responsibilities of Baker Tilly and you and entities listed herein, in connection with the services to be provided under this engagement.

### **Summary of Services**

We will prepare and sign as preparer your 2020 federal and state income tax returns for the same state(s) where you filed last year based upon information that you will furnish to us. A listing of the returns to be prepared is enclosed on the *Listing of Returns to be Prepared* attachment. We will prepare additional state tax returns or investigate additional state filing requirements only as mutually agreed.

If your business activities have changed or are being conducted in states in addition to those in which you filed tax returns last year, it is your responsibility to inform us. This engagement does not include a determination of filing requirements in any additional states. If a determination or nexus study of additional state filing requirements is necessary, we will discuss that issue with you and determine whether a separate engagement letter is required.

Unless otherwise agreed to in writing, you will be responsible for preparing and filing all other tax or information returns required to be filed with the applicable authorities including, for example, city and county income or gross receipts filings, payroll tax filings, sales and use tax filings, information reporting filings, etc.

### **Additional Work Required Due to Tax Legislation**

The Tax Cut and Jobs Act (TCJA) was enacted in December 2017 and the CARES Act in March 2020. Treasury continues to issue guidance and revise rules relating to both of these pieces of legislation on an on-going basis. In addition, it is possible that Congress makes further retroactive tax law changes as they did with the CARES Act. Any subsequent guidance or retroactive legislation has the potential to impact tax positions on your return and may require additional analysis and computations. Our fee associated with any additional time that we spend on such issues will be based on our standard hourly rates for the level of staff performing the services. Before we begin any incremental work we will provide an estimate of the additional fees expected to be incurred.

### **Additional Services**

From time to time, you may request that we provide services outside the scope of this engagement, hereinafter referred to as "Additional Services". Where the additional fee associated with the requested project or service is expected to be less than \$5,000, and except as provided below, we will provide such Additional Services subject to this letter and the enclosed Engagement Terms - Tax Services. If you request that we provide additional personal financial planning services, then such services are subject to *Additional Disclosures*, which are enclosed with this letter. Tax consulting services related to the following require a separate engagement letter, regardless of the anticipated fee: R&E credit consulting and/or computations, mergers and acquisitions, due diligence, state nexus, federal or state tax controversy assistance, international tax or organizational tax issues. Any professional services outside the scope of this engagement letter as defined above must be

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Duane Urquhart

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mutually agreed to in writing.

### **Your Assistance**

It is your responsibility to provide all the information required for the preparation of complete and accurate returns. You agree to bring to our attention any matters that may reasonably be expected to require further consideration to determine the proper tax treatment of such matters. You also agree to bring to our attention any changes in the information as originally provided to us as soon as such information becomes available.

You represent that the information you are supplying to us is accurate and complete to the best of your knowledge and that any expenses for meals, entertainment, travel, business gifts, charitable contributions, dues and memberships, vehicle use, etc. are supported by records as required by law. You should retain all documents, canceled checks and other data that support income and deductions reported on your returns. These may be necessary to prove the accuracy and completeness of the returns to a taxing authority. You have the final responsibility for the income tax returns and, therefore, you should review them carefully before you sign them. We will not audit or otherwise verify the data you submit, although it may be necessary to ask you to clarify some of the information. Our work in connection with the preparation of your income tax returns does not include any procedures designed to discover defalcations, irregularities or abusive tax shelter transactions, should any exist.

### **Tax Return Preparer Standards and Related Matters**

Revised Internal Revenue Code (IRC) section 6694 and the related Treasury Regulations provide that a tax return preparer may sign a tax return only if there is substantial authority for all tax positions reflected in the return or there is disclosure of any position that has a reasonable basis but does not have substantial authority. This revised standard corresponds with the taxpayer standard relating to avoiding a penalty for a substantial understatement of tax. Positions that lack a reasonable basis claimed on a tax return could subject taxpayers to a substantial understatement of tax penalty, even if such positions are disclosed on their returns. Professionals cannot sign such returns. The higher more-likely-than-not standard for tax shelters remains. Regardless of disclosure, any position or transaction deemed to be a tax shelter must meet the more-likely-than-not confidence level or it cannot be claimed on a tax return.

As a result, we will be required to evaluate all positions to be reflected on your federal tax returns to determine if such positions meet the substantial authority standard discussed above. Certain positions may be required to be disclosed to the federal, and in some cases, the state tax authorities.

It is not possible for us to know, in advance, those positions to be reflected on your return which may require additional analysis. Therefore, we cannot estimate the additional amount of fees which may be associated with this effort. We will, however, advise you of any positions which require additional analysis and discuss the associated fees with you prior to undertaking the additional effort required to reach a conclusion in compliance with the new standards.

Revised IRC section 7216 and the related Treasury Regulations prescribe a penalty for any tax return preparer that uses or discloses tax return information without securing the consent of the taxpayer prior to any such use or disclosure. Should you request that any tax information be provided to a third party, we can provide the information directly to you and you can provide the information to the third party, or we can provide the information directly to the third party. If you request that we provide the information directly to a third party, a specific and detailed written consent with your signature will be required to be furnished to us prior to the release of any tax return information. We will bill you for the time necessary to draft the consent, obtain your signature and satisfy your request to provide tax information directly to a third party.

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**Timing**

In order to meet the deadline, you are required to provide us with needed information or assistance within a specified period of time. Failure to provide complete information and timely assistance may require an adjustment to our completion date. In addition, in the event unforeseen circumstances occur that impact our ability to meet the final completion date, we will contact you to discuss an acceptable revised completion date.

**Fees**

Our fee for this engagement will be based on the number of hours expended at our standard billing rates **or** based on agreed-upon rates. ). In addition to our standard rates, we will also bill an amount that represents our standard charge for administration equal to 6% of the fees billed, plus out-of-pocket expenses, if any. As mentioned above, we will be required to increase our fee this year in order to help comply with the provisions of the TCJA and CARES Act that affect you. Factors such as the complexity of the engagement, the condition and completeness of your records, the timely compilation by your staff of any information we have requested, the continuity of your personnel and their availability will have a bearing on the amount of time required to complete the engagement.

For any Additional Services covered by this engagement letter, you will pay Baker Tilly a fee based on our standard hourly rates for the level of staff performing the services.

We will also bill for travel and out-of-pocket costs. Interim bills will be submitted on a monthly basis as work progresses and expenses are incurred. Our invoices are due and payable upon receipt.

The amount of our fee for services is based on the assumption that we will receive the complete information and assistance as detailed in this engagement letter on a timely basis. In the event we believe an additional fee is required as the result of an unforeseen difficulty in completing the returns, a change in the underlying facts or law or your failure to provide complete information and timely assistance, we will inform you promptly and agree on a revised fee with you at that time.

We look forward to working with you to complete this important project. If this engagement letter correctly describes the engagement, please sign one copy and return it to us, along with a copy of the attached *Engagement Terms – Tax Services*. Please retain a copy for your files. If you have any questions or comments regarding the terms of this engagement letter, please call me.

Duane Urquhart

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Sincerely,

BAKER TILLY US, LLP



Michael Shafer

Enclosure(s):

*Engagement Terms - Tax Services  
Additional Disclosures  
Listing of Returns to be Prepared*

The services and terms set forth in this engagement letter and the enclosed *Engagement Terms - Tax Services* are agreed to by:

Duane Urquhart

Duane Urquhart (Jun 3, 2021 17:04 PDT)

Client Signature

Date

***Please ensure that you return ALL pages of the engagement letter and attached Engagement Terms - Tax Services along with this signature page.***

Duane Urquhart

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***Listing of Returns to be Prepared***

Baker Tilly US, LLP only takes responsibility for the preparation of the following U.S. federal and state tax returns, schedules, and other information for the client's taxable year:

Entity/Individual <sup>1</sup>	Tax Return	Estimated Fees
<b>Duane and Susan Urquhart</b>	2020 Federal and State Individual Income Tax Return	Hourly
<b>Peppertree Park Villages 9&amp;10, LLC</b>	2020 Federal and State LLC-Income Tax Return	Hourly
<b>Peppertree Land Company</b>	2020 Federal and State Partnership Income Tax Return	Hourly
<b>Peppertree Land Investors, LLC</b>	2020 Federal and State LLC-Income Tax Return	Hourly
<b>Peppertree Lane, LLC</b>	2020 Federal and State LLC-Income Tax Return	Hourly
<b>Northern Capital, Inc.</b>	2020 Federal and State S-Corporation-Income Tax Return	Hourly

## Baker Tilly US, LLP Engagement Terms - Tax Services

These Engagement Terms - Tax Services (Terms) and the Engagement Letter to which they are attached (collectively, the Agreement) constitute the entire agreement between the client to whom such Engagement Letter is addressed (the Client) and any other legal entities referred to therein and Baker Tilly US, LLP (we, us, our), regarding the services described in the Engagement Letter and supersede and incorporate all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. This Agreement's provisions shall not be deemed modified or amended by the conduct of the parties. If there is a conflict between these Terms and the Terms of any Engagement Letter, these Terms shall govern.

### **1. Responsibilities of Client**

- a. To ensure an effective and efficient engagement, Client agrees to provide Baker Tilly US, LLP with all information requested, in a timely manner, and to provide any reasonable assistance as may be required to properly perform the engagement. In performing services under this Agreement, Baker Tilly US, LLP will rely upon Client personnel for the accuracy and completeness of its records and all other information supplied to us, without independent investigation or verification. Inaccuracy, incompleteness or tardiness in the delivery of information to Baker Tilly US, LLP, whether or not Client personnel knew or should have known that such information was not complete, accurate or current, could have a material effect on tax returns, our conclusions and the fee for services.
- b. US Treasury Regulations require taxpayers to disclose any tax strategy or transaction that the IRS identifies as: 1) a Listed Transaction; 2) substantially similar to a Listed Transaction; or 3) any other Reportable Transaction. In addition, certain states have similar disclosure requirements. Noncompliance with these rules may result in significant penalties. Client agrees to inform Baker Tilly US, LLP of participation in any such transactions.
- c. Client agrees to file, unaltered and with appropriate disclosure, the tax returns as prepared by Baker Tilly US, LLP. Client agrees that Baker Tilly US, LLP assumes no responsibility and has no liability for any returns altered by Client prior to filing with the taxing jurisdiction. Client is responsible for the timely filing of the returns Baker Tilly US, LLP prepares and agrees to inform us in writing of any failure to timely file the tax returns.
- d. Most tax returns require signatures, under penalty of perjury, by the taxpayer or an officer of the taxpayer affirming that the tax returns and the accompanying schedules and statements are true, correct and complete to the best of his or her knowledge. Client is responsible for understanding and agreeing with the various amounts, computations and statements made in the tax returns and accepts responsibility for the results of the tax services rendered. Baker Tilly US, LLP's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. Baker Tilly US, LLP will not perform any management functions or make management decisions for Client in connection with this engagement.
- e. Client is required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Baker Tilly US, LLP has no responsibility or liability for Client's failure to maintain adequate documentation.

### **2. Responsibilities of Baker Tilly US, LLP**

- a. Baker Tilly US, LLP's services under this Agreement are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA) and other professional standards applicable to tax services. We disclaim all other warranties, either express or implied.
- b. Baker Tilly US, LLP will perform these services on the basis of the information you have provided and in consideration of the applicable tax laws, regulations and associated interpretations as of the date the services are provided. Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. Baker Tilly US, LLP has no responsibility or liability for

such changes occurring after the completion date of this engagement.

- c. Client acknowledges and agrees that any advice, recommendations, information or work product provided to Client by Baker Tilly US, LLP in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Baker Tilly US, LLP has no liability or responsibility to any third parties as a result of this engagement and Client agrees to indemnify Baker Tilly US, LLP accordingly (see Paragraph 3(b)).
- d. Tax returns and other filings are subject to examination by taxing authorities. Baker Tilly US, LLP will be available to assist Client in the event of an audit of any issue for which Baker Tilly US, LLP has provided services under this Agreement. Fees for these additional services will be communicated in a separate engagement letter.
- e. The services performed under this Agreement do not include the provision of legal advice and Baker Tilly US, LLP makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation, under federal, state or other type of law or regulation.
- f. Baker Tilly US, LLP may utilize the services of independent contractors in providing services to Client. All such third parties are bound by the same confidentiality requirements as Baker Tilly US, LLP and its employees. Client hereby consents to disclosure of confidential information necessary to the provision of the related services.
- g. Nothing in this Agreement prevents Baker Tilly US, LLP from providing services to other clients.

### **3. Limitation on Damages and Indemnification**

- a. The liability (including attorney's fees and ALL other costs) of Baker Tilly US, LLP and its current or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Agreement shall not exceed the fees paid to Baker Tilly US, LLP for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly US, LLP relating to such services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses or losses (including, without limitation, lost profits and opportunity costs) arising out of or related to this Agreement even if a party has been advised of the possibility of such damages.
- b. Except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly US, LLP relating to such services, Client agrees to indemnify, defend and hold harmless Baker Tilly US, LLP from and against any and all liabilities incurred or suffered by or asserted against Baker Tilly US, LLP in connection with a third party claim to the extent resulting from such party's use or possession of or reliance upon Baker Tilly US, LLP's advice, recommendations, information or work product.
- c. The terms of this Section 3 shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of Client, Baker Tilly US, LLP or others), but these terms shall not apply to the extent finally determined to be contrary to applicable law or regulation. These terms shall also continue to apply after any termination of this Agreement.

## Engagement Terms - Tax Services (Page 2)

d. Client accepts and acknowledges that any legal proceedings arising from or in connection with the services provided under this Agreement must be commenced within one year from the date the services were provided, without consideration as to the time of discovery of any claim or any other statutes of limitations or repose.

### 4. Communications and Confidentiality

- a. Communications between Baker Tilly US, LLP and Client may be privileged and protected from disclosure to the IRS or other governmental authorities in certain circumstances. Baker Tilly US, LLP will not assert on Client's behalf any claim of privilege unless Client specifically instructs Baker Tilly US, LLP in writing to do so after discussing the specific request and the grounds on which such privilege claim would be made. Notwithstanding the foregoing, Client acknowledges that in no event will Baker Tilly US, LLP assert any claim of privilege that Baker Tilly US, LLP concludes is not valid. Baker Tilly US, LLP agrees to cooperate with Client in any effort to assert any privilege with respect to such information, provided Client agrees to hold Baker Tilly US, LLP harmless from and be responsible for any costs and expenses resulting from such assertion.
- b. Baker Tilly US, LLP may be required to disclose confidential information to federal, state and international regulatory bodies or a court in criminal or other civil litigation. In the event that we receive a request from a third party (including a subpoena, summons or discovery demand in litigation) calling for the production of information, Baker Tilly US, LLP will promptly notify Client, unless otherwise prohibited. In the event Baker Tilly US, LLP is requested by the Client or required by government regulation, subpoena or other legal process to produce our engagement working papers or its personnel as witnesses with respect to services rendered to Client, so long as Baker Tilly US, LLP is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly US, LLP for its professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.
- c. Baker Tilly US, LLP may be required to disclose confidential information with respect to complying with certain professional obligations, such as peer review programs. All participants in such peer review programs are bound by the same confidentiality requirements as Baker Tilly US, LLP and its employees. Baker Tilly US, LLP will not be required to notify Client if disclosure of confidential information is necessary for peer review purposes.
- d. Baker Tilly US, LLP may communicate electronically with Client or otherwise transmit documents in electronic form during the course of this engagement. Client accepts the inherent risks of electronic forms of communication and agrees that it may rely only upon a final hard copy version of a document or other communication that Baker Tilly US, LLP transmits to Client unless no such hard copy is transmitted by Baker Tilly US, LLP to Client.

### 5. Alternative Dispute Resolution

- a. In the unlikely event that differences concerning services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation.
- b. If mediation does not settle the dispute or claim, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly US, LLP office providing the relevant services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no prehearing discovery shall be permitted unless

specifically authorized by the arbitrator. The arbitrator will be selected from Judicate West, AAA, JAMS, the Center for Public Resources or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a single arbitrator, experienced in tax matters. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with the Engagement Letter or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrator(s) upon a showing of substantial need. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any dispute heard in a court of law before a judge and a jury, as well as any appeal. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrator(s) shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Engagement Letter, and shall have no power to decide the dispute in any manner not consistent with such limitations period. The arbitrator(s) shall be empowered to interpret the applicable statutes of limitations.

### 6. Termination

Either party may terminate this Agreement at any time upon written notice to the other party. In the event of termination, Client will be responsible for fees earned and expenses incurred through the date termination notice is received. In the event that collection procedures are required, the Client agrees to be responsible for all expenses of collection including related attorneys' fees.

### 7. Personnel

During the term of this Agreement, and for a period of twelve (12) months following the expiration or termination thereof, neither party will actively solicit the employment of the personnel of the other party involved directly with providing services hereunder. Both parties acknowledge that the fee for hiring personnel from the other party, during this period will be a fee equal to the hired person's annual salary at the time of the violation so as to reimburse the party for the costs of hiring and training a replacement.

### 8. Data Privacy and Security

- a. To the extent the services require Baker Tilly receive personal data or personal information from Client, Baker Tilly may process any personal data or personal information, as those terms are defined in applicable privacy laws, in accordance with the requirements of the applicable privacy law relevant to the processing in providing services hereunder. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which Baker Tilly or its Clients must comply. Such privacy laws may include (i) the

## Engagement Terms - Tax Services (Page 3)

EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. Baker Tilly is acting as a Service Provider/Data Processor in relation to Client personal data and personal information, as those terms are defined respectively under the CCPA/GDPR. Client is responsible for notifying Baker Tilly of any data privacy laws the data provided to Baker Tilly is subject to and Client represents and warrants it has all necessary authority (including any legally required consent from data subjects) to transfer such information and authorize Baker Tilly to process such information in connection with the services described herein.

- b. Baker Tilly has established information security related operational requirements that support the achievement of our information security commitments, relevant information security related laws and regulations, and other information security related system requirements. Such requirements are communicated in Baker Tilly's policies and procedures, system design documentation, and contracts with customers. Information security policies have been implemented that define our approach to how systems and data are protected. Client is responsible for providing timely written notification to Baker Tilly of any additions, changes or removals of access for Client personnel to Baker Tilly provided systems or applications. If Client becomes aware of any known or suspected information security or privacy related incidents or breaches related to this Agreement, Client should timely notify Baker Tilly via email at dataprotectionofficer@bakertilly.com.
- c. Baker Tilly does not treat de-identified data or aggregate consumer information as personal data or personal information, and we reserve the right to convert Client personal data or personal information into de-identified data or aggregate consumer information for our own purposes. As a benefit of benchmarking your Company to others in your industry, you allow us to enter your confidential accounting and/or financial data into the third party benchmarking software that we utilize. By signing this Engagement Letter, you expressly authorize us to make such disclosure of your confidential accounting and/or financial data, as we may elect within our discretion, with the understanding that, in doing so, you will not be specifically identified.
- d. Baker Tilly does not retain any original Client records; so we will return such records to you at the completion of the services rendered under this engagement. When such records are returned to you, it is the Company's responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention period, Baker Tilly shall be free to destroy our workpapers related to this engagement.

### 9. Other Matters

- a. Neither party shall be liable to the other for any delay or failure to perform any of the services or obligations set forth in this Agreement due to causes beyond its reasonable control. The provisions of this Agreement, which expressly or by implication are intended to survive its termination or expiration, will survive and continue to bind both parties, including any successors or assignees. If any provision of this Agreement is declared or found to be illegal, unenforceable or void, then both parties shall be relieved of all obligations arising under such provision, but if the remainder of this Agreement shall not be affected by such declaration or finding and is capable of substantial performance, then each provision not so affected shall be enforced to the extent permitted by law.
- b. Neither this Agreement, any Engagement Letter, any claim, nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written

consent of the other party. Either party may assign and transfer this Agreement and any Engagement Letter to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization or the sale of interest or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Agreement.

- c. Baker Tilly US, LLP is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

### 10. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the state of California, without giving effect to the provisions relating to conflict of laws.

**Baker Tilly US, LLP**  
**Additional Disclosures Related to Tax Engagements (Compliance)**

**Please note that this document only applies if you have requested that we provide personal financial planning services in addition to those services contracted for in the original engagement letter.**

\* \* \*

You have requested that we provide some additional planning or consulting services pursuant to the engagement letter you signed. We are pleased to perform such services for you. However, under the standards governing the provision of such services we are obligated to make certain disclosures to you. Therefore, we are making the following disclosures in accordance with professional practice standards established by the American Institute of Certified Public Accountants (AICPA).

**Scope**

The requested additional services are consultative in nature. These services do not cover any implementation or ongoing monitoring services that may be required in the future. We are available to assist you in implementing the actions and strategies agreed upon as you deem appropriate. The nature and extent of our implementation services will be established at that time. Implementation of any such planning ideas or strategies is a separate engagement, and we will provide you with a separate engagement letter for that process when and if that becomes necessary.

The advice requested may require your cooperation in providing us with various types of information and documents concerning your personal financial situation. We will be relying on your representations. If we are unable to obtain from you sufficient information to form a reasonable basis for our conclusions and recommendations, our services in connection with this engagement may be limited to those matters for which sufficient information is available, and this may affect our conclusions and recommendations. Should this be the case, we will so advise you in writing.

If we are unable to obtain sufficient information to proceed with the engagement as contemplated and agreed, we will advise you and, as appropriate, discuss terminating or modifying the engagement with you. If we agree to modify or terminate the engagement, we will communicate that to you in writing.

**Other Advisors**

We cannot be responsible for the acts, omissions or solvency of any broker, agent or independent contractor or other advisor or professional selected to implement any planning ideas or strategies identified as part of the additional services you have asked us to provide. Our services are not designed, and should not be relied upon, as a substitute for your own business judgment nor are they meant to mitigate the necessity of your personal review and analysis of a particular investment. Our services are designed to supplement your own planning analysis and to aid you in fulfilling your financial objectives.

In the event we refer you to another service provider, we will disclose to you, in writing, any compensation we receive for making such a referral.

**Conflicts of Interest**

We have no conflicts of interest in providing the requested additional services. We will advise you of any conflicts of interest, should they arise.

**Other**

You are, of course, free to follow or disregard, in whole or in part, any recommendations we make. You are under no obligation to act on any recommendation. Because this engagement does not cover implementation activities, we cannot be responsible for any decisions you make regarding implementation of the recommendations.



## Schedule of Hourly Rates

(Effective November 1, 2020)

Partners/Directors	\$345.00 to \$700.00
Senior Manager/Managers	\$185.00 to \$520.00
Supervisors	\$185.00 to \$360.00
Seniors	\$120.00 to \$245.00
Professional Staff	\$135.00 to \$250.00
Account Managers	\$135.00 to \$300.00
Administration	\$50.00 to \$250.00

Administrative fees and out-of-pocket expenses apply in addition to the above hourly rate.  
(Note: Rates are subject to change without notice)

# Baker Tilly – 2020 Tax Engagement Letter – Duane Urquhart & Entities

Final Audit Report

2021-06-04

Created:	2021-05-19
By:	Jennifer Muzio (jmuzio@squarmilner.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAedOW2eh2l1tTl2FTBcQohxHQEB8G4hMo

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- 📄 Document created by Jennifer Muzio (jmuzio@squarmilner.com)  
2021-05-19 - 10:30:58 PM GMT- IP address: 45.62.187.68
- ✉️ Document emailed to Duane Urquhart (ncinvest@sbcglobal.net) for signature  
2021-05-19 - 10:31:18 PM GMT
- 📄 Email viewed by Duane Urquhart (ncinvest@sbcglobal.net)  
2021-05-19 - 10:33:30 PM GMT- IP address: 70.183.96.4
- 📄 Email viewed by Duane Urquhart (ncinvest@sbcglobal.net)  
2021-05-20 - 10:39:37 PM GMT- IP address: 69.147.90.254
- 📄 Email viewed by Duane Urquhart (ncinvest@sbcglobal.net)  
2021-05-24 - 2:38:03 AM GMT- IP address: 108.247.39.115
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2021-05-28 - 5:41:53 PM GMT- IP address: 70.183.96.4
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2021-05-30 - 11:31:07 AM GMT- IP address: 108.247.39.115
- ✍️ Document e-signed by Duane Urquhart (ncinvest@sbcglobal.net)  
Signature Date: 2021-06-04 - 0:04:26 AM GMT - Time Source: server- IP address: 70.183.96.4
- ✅ Agreement completed.  
2021-06-04 - 0:04:26 AM GMT